the production of insecticides in this country? We know that there are three agencies which are involved in the production of insecticides—multinationals big national industries and small-scale industries. I want to know categorically what is the share of the small-scale industries which are involved in the production of insecticides.

SHRI YOGENDRA MAKWANA: Sir, this question does not arise out of the main question put by the honourable Member. I require separate notice for this.

SHRI JAGESH DESAI: Sir, sometime back the honourable Minister has said that for small-scale industries also they are giving registration. I would like to know from the honourable Minister how many small-scale industries had applied for provisional registration and how many were given registration between 1-4-1985 and 31-3-1987.

MR. CHAIRMAN: This does not arise out of the question. Please put a separate question.

Production cost of urea

*326. SHRI CHIMANBHAI MEHTA:†
SHRI SAGAR RAYKA:

Will the Minister AGRICULTURE be pleased to refer to the reply to Unstarred Question 1175 given in the Rajya Sabha on 6th March 1987 and state:

(a) what measures are being taken for reducing the cost of production of urea;

(b) whether it is a fact that the co-operative sector is performing better as compared to the public and private sector fertiliser companies and if so, the details thereof, sector-wise, indicating the production capacity, the actual production and the norms of production; and

(c) what are the reasons for the inferior performence of the public sector fertilizer plants?

THE MINISTER OF STATE IN THE DEPARTMENT OF FERTILIZERS IN THE MINISTRY OF AGRICULTURE (SHRI R. PRABHU): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) Fertilizer production units are taking steps to reduce the cost of production of Urea through higher capacity utilisation and lower consumption of feedstock and inputs.

(b) Yes, Sir. The requisite details for the year 1986-87 are as follows:—

Sector	Installed Capacity (in lakh tonnes of N+P)	Actual Production (in lakh tonnes of N+P)	Capacity utilisation (N+P)	Norm of Capacity utilisation as laid down for fixation of retention prices
Public Sector				
Sick Units	13.07	6.00	45.9%	Ammonia—80%
Others	33.18	24.72	74.5%	Phospheric Acid—70%
Total (Public Sector)	46.25	30.72	66.4%	
Cooperative Sector	15.07	14.60	96.9%	
Private Sector	27.78	25.38	91.4%	

*The question was actually asked on the flour of the House by Shri Chimanbhai Mehta.

(c) Among the Public Sector units, the plants owned by the Fertilizer Carporation of India (FCI) are unable to achieve satisfactory levels of operation due to use of coal gasification technology on a large scale for the first time in the country; other unfavourable factors common to FCI and Hindustan Fertilizer Corporation plants are maximum indigenisation on engineering and equipment, tied credits from various sources resulting in mis-match of equipment and technology, etc.

SHRI CHIMANBHAI MEHTA: Sir, my question is regarding the efficiency of our public sector units. Fertilizer consumption is very much increasing and, therefore, the Government is also paying a very high subsidy. In the year 1970 Rs. 18 crores were paid by the Central Government. Now it has gone up to Rs. 2,000 crores and by the year 1990 it will be Rs. 6,000 crores of subsidy, at this rate. Import also is increasing. In the year 1970 it was worth Rs. 100 crores and now it has gone up to Rs. 1,000 crores. Therefore, our need for increasing production is also very urgent because if we do not efficiently produce, our prices will remain high. Our prices are double, compared to the international prices and that was the answer given a few days back by the concerned Minister

MR. CHAIRMAN: Put your question, please. If each one takes two minutes for a preface, then very little work is done in the House.

SHRI CHIMANBHAI MEHTA: My question is this: Our capacity is 13.5 million but we are utilizing only 10 million. Why this sort of things are happening? It is also said that they are trying to economize on the feedstock. But, recently, the price of gas which was Rs. 250 has been raised to Rs. 1,600 for 1,000 cubic metres. So, we are indulging in high cost economy but then we say that fertilizer is not being sold, that sometimes it is overstocked and so on. Now, the third point is...

MR. CHAIRMAN: Please sit down. You have a second supplementary. Yes, Mr. Minister, whatever you have got to say you may say.

SHRI R. PRABHU: Sir, he has just made some statements. I did not get the question.... (*Interruptions*) ... What is the specific question?

SHRI CHIMANBHAI MEHTA: Feedstock price is being raised. Why is the public sector producing less while the cooperative sector is producing more? It is not a statement. I am givng figures to make him understand ... (*Interruption*) ...

SHRI R. PRABHU: Sir, it is a fact that the subsidy has gone up over the years. The honourable Member has stated figures saying that the subsidy has gone up from Rs. 18 crores to nearly Rs. 2,000 crores. It is a fact. But what is this subsidy? This subsidy is because the cost of inputs has risen over the years, the production has gone up over the years and the Government is giving fertilizer at subsidized rates to the farmers. The price of urea today is Rs. 2,350 per tonne, but the cost of production is much more. This is the reason. The subsidy is there. As production in the country goes up, the subsidy also naturally goes up because the end price is the same and the cost of inputs increases. It is also a fact that the cost of feedtock has gone up like the Member has stated and the subsidy, basically, is a transfer from the Consolidated Fund of India through the fertilizer companies, to the ONGC and the Gas Authority of India. So, I do not see why the Member should be so agitated. The fertilizer companies are not getting all the subsidies they are not swallowing all the subsidies. I think the cumulative profit of the fertilizer industry in the last year was about Rs. 200 crores only. This is hardly 10 per cent of the subsidy.

As far as the capacity utilisation is concerned, I do agree with him, Sir, that the public sector capacity

utilisation has been lower than the co-operative sector capacity utilisation and the private sector capacity utilisation. But there are reasons. The reasons basically are, the public sector plants are older plants, and the co-operative sector plants have been started only after 1975 while the public sector plants were started in 1947 and 1950. The technologies are better in the co-operative sector. The plant designs are better. And also, I would have to agree here that the work culture also in the co-operative sector is a little better than that in the public sector companies. Also, we have to say that the public sector plants do not have such good locations as the private sector and the co-operative sector plants have. They have more rural location. Work culture in worse locations is a problem. The cost of the plants are higher. Also, Sir, the public sector companies have had more indigenisation of machinery and services in this country, and they have also had technologies which have not been proven. For example at Talcher and Ramagundam for the first time we have used as feedstock coal.

I think I have answered most of his questions.

SHRI CHIMANBHAI MEHTA: My question relates to something different. Anyway, he has answered. Now the supplementary I am asking is this specifically. Recently, the price of gas that is used as feedstock which was Rs. 250 for the IFFCO and some other unit, has been raised to Rs. 1,400. What will be the result? You may try to hide the price. But, have you ever resisted the pressure of the Natural Gas Ministry? This is going to cost much more. Has it been done or not?

Then, secondly, you have mentioned about the work culture of the co-operative sector units and the public sector units. I know some of the public sector units are old. But what are you going to do with the work culture so that the efficiency increase? This is a very important point?

SHRI R. PRABHU: As far as the feedstock is concerned, the gas price is concerned in the Fertilizer Ministry we have no control over this. It is the Petroleum Ministry which is the controlling Ministry which administers the price of gas and other feedstocks. We are resisting any increase in the prices, I can assure the Member.

As far as the work culture is concerned, I do not want to make a blanket statement like that. But the public sector has a different system. There are different controls over the public sector while the co-operative sector is more flexible in their management. This probably is the reason for the difference in the work cultures. The public sector is more bottom heavy than top heavy compared to the co-operative sector.

श्री सागर रायका : माननीय सभापति महोदय, मैं आपके माध्यम से माननीय मंत्री जी से यह पूछना चाहता हूं कि कोल गैसिफिकेशन टैक्नालाजी से क्या यूरिया के दाम कुछ कम कर सकते हैं?

इसके साथ ही मैं इनसे यह भी जानना चाहता हूं कि देश के किन-किन इलाकों में कोल गैसिफिकेशन टैक्नालाजी अवेलेबल [illegible] ?

SHRI R. PRABHU: Sir, this question really does not pertain to the main question. But I will answer whatever is possible. The coal technology is being used in only two plants in India. One is Ramagundam and the other is Talcher. Whether the cost of urea can be reduced because of the coal technology, I would not be able to answer, because basically we are operating at 50, 60 per cent capacity. So, I do not think that the cost of production will be lower.

श्री वीरेन्द्र वर्मा : माननीय सभापति महोदय, माननीय मंत्री जी ने अपने उत्तर में बताया है सिक यूनिट्स एंड अदर्ज, मान्यवर, इतनी डिसमल परफारमेंस इनकी है कि 45.9 प्रतिशत इनका केपेसिटी यूटिलाईजेशन है और कुल पब्लिक सेक्टर का 66 प्रतिशत है अगेंस्ट 91 और 97 आफ दी कोआपरेटिव सेक्टर । तो मैं आपसे यह जानना चाहता हूं कि वह कौन-कौन से सिक यूनिटस हैं और कितना उनका टोटल लास है ?

मान्यवर, स्पेसिफिक क्वेश्चन था--

"What measures are being taken for reducing the cost of urea;".

और उत्तर है मान्यवर चेयरमैन साहब, Fertiliser production units are taking steps to reduce the cost of production of urea through higher capacity utilisation.

यह तो कोई उत्तर नहीं है। आप स्पेसेफिक मेजर्ज इस के लिए क्या ले रहे हैं, for rducing the losses and for increasing the capacity utilisation. मान्यवर, यह भी जरा सा बताएं कि क्या इन ओल्ड यूनिट्स के माडर्नाइजेशन की भी आपकी कोई योजना है ?

SHRI R. PRABHU: As far as the sick units are concerned, the FCI and the HFC are the two sick units in the fertiliser sector.

SHRI VIRENDRA VERMA: Only two?

SHRI R. PRABHU: Two companies. They have four units each. This supplementary does not come from the specific question, but I can send you the list of the sick units with the total accummulated losses.

The hon. Member has also said that we have made a blanket statement saying that we are trying to reduce the losses and decrease the cost of production by increasing capacity utilisation. It is not a blanket statement, because in each company there are different measures that are being taken to achieve increased capacity utilisation, reducing specific consumptions and also reduce the energy consumption. Basically this is the way to reduce the cost of production in any industry, particularly in the fertiliser industry where the cost of energy and utilities and feedstock come to 50 per cent of the cost of production. If you increase the capacity utilisation, you reduce the spcific consumption. So, natrally the unit cost of producion goes down.

SHRI VIRENDRA VERMA: What about modernisation?

SHRI R. PRABHU: There are various measures for modernisation in each plant. I will not be able to give it off-hand. I can send information about it to him if he requires.

PROF. C. LAKSHMANNA: The Minister while answering a supplementary stated that one of the reasons for the lower capacity utilisation and higher cost of production is the old machines in some of the units. I would like to know whether in order to augment this they replace the old machines or modernise it. If you are to modernise or to replace, is it through indigenous R & D or through foreign collaboration of technology?

SHRI R. PRABHU: There are various proposals for modernisation in various industries and in various factories. I can assure the hon. Member that wherever indigenous machinery is available we will use the indigenous machinery and mostly indigenous technology. In fact, we have two companies in the public sector which do consultancy services for the fertiliser industry; one is PDIL and the other is FEDO. We use their services as far as possible and we use the indigenous machinery as far as possible.

SHRI BIR BHADRA PRATAP SINGH: I am a farmer. Therefore, it is a common knowledge question to me. Fertiliser has a wider connotation whereas urea is one of the kinds of fertilisers. Now, the whole question is if urea is the lifeline for our agricultural production and if it count

like Jordan produces better and cheaper fertiliser, is there not a need for technological revoltion in this case? And if so, what specific action is the hon. Minister proposing to take in this regard?

SHRI R. PRABHU: The cost of production outside thi country is less than what is in this country. It is because the feedstock prices outside are less than what is there in our country. For example in America, the gas price is only $2 per million BTU, while in this country is is $5 per million BTU. In the Middle East it is only half a dollar per million BTU. So, we cannot really compare the cost of fertiliser produced in this country with the cost of production in other countries. Moreover, the plants abroad are basically old and depreciated. So, there is not really a basis for comparison.

SHRI JAGESH DESSAI: The hon. Minister says because the plants are old, the capacity utilisation is old. I would like to know whether in the Project Report it has been mentioned that after the lapse of a particular number of years, the capacity will be to this extent only. It is shown like that. May I know from the Minister whether the capacity utilisation which is done today is according to what was mentioned in the report? If not, whether a review will be taken and the realistic capacity utilisation fixed and derate this capacity utilisation so that we can get correct picture and monitor it?

SHRI R. PRABHU: Sir, one of the reasons for the low capacity utilisation as I have said earlier was the vintage of the plants. I do not think in a project report it is really mentioned that the capacity utilisation comes down after a few years. But basically we have to take the effective age of the plant. The effective age of the plant is about 15 years and after 15 years I think the specific consumptions do increase and capacity utilisation comes down because of breakdowns and maintenance has to be done. That is why the capacity utilisation comes down.

MR. CHAIRMAN: Why not derate?

SHRI R. PRABHU: Sir this is an overall picture and when we fix the retention prices and when the next retention price scheme is being formulated, I think, we will take into account the hon. Member's suggestion.

SHRI P. BABUL REDDY: Mr. Chairman, Sir, I am glad to find the information furnished by the Minister in his reply that in the field of fertiliser production cooperative sector is showing better performance than the private sector. Sir, in the cooperative field IFFCO is the leader in the production of fertilisers and the cooperative sector production reached 96.9 per cent capacity utilisation. I will add that a few months back the Government on the plea that imported fertiliser is cheapr than indigenously manufactured fertiliser had attempted to ask the IFFCO to stop production. May I know from the Minister whether my information is correct or not?

SHRI R. PRABHU: The Government has not asked the IFFCO to reduce its production.

MR. CHAIRMAN: Next question.

SHRI P. BABUL REDDY: There was a proposal to stop.

MR. CHAIRMAN: He has given a definite answer that the Government has not asked. Next Question.

Shifting of the Delhi Race Club

*327. SHRIMATI RATAN KUMARI: Will tht Minister of URBAN DEVELOPMENT be pleased to state:

(a) wheher Govtrnment propose to shift the Dehi Race Cub from its present site;

(b) if so, by when;